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EI UPDATES: Farmland Tenure

Updates on Agricultural Resources and Environmental Indicators

Natural Resources and Environment Division
Economic Research Service, U.S. Department of Agriculture

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1992 Census Documents More Farmland Leasing

- Farmers leased 43 percent of the farm land they operated in 1992, the highest proportion since 1940.
- Most of the leased farmland was rented from owners who did not farm.
- Most of the leased farmland in 1992 was rented to operators who also owned farmland.
- Cash rents were paid on 65 percent of rented farms, 27 percent of all farms.

Land represents over 70 percent of the value of assets in agriculture, and access to land is gained mainly either through ownership or leasing. The proportions of owned and rented land in farms have implications for decisionmaking in production, the level of capital available to the industry, major land use changes, and the distribution of participation in and benefits from agricultural policies.

Recently released data from the 1992 Census of Agriculture show that farmers operated 405 million acres under lease, through 2.1 million rental arrangements. This leased acreage represented 43 percent of land in farms, the highest proportion since 1940. About 7 million acres of this leased land was subleased, creating an equivalent of 412 million acres of land leasing in 1992. Among the 50 States, rented farmland as a percent of total land in farms was highest in

Alaska (71 percent) and Illinois (62 percent), and lowest in the Northeastern States of Maine, New Hampshire, and Massachusetts (17-23 percent).

In the period 1987-92, the land in farms overall decreased by 19 million acres, but land operated under lease increased by 2.6 million acres. Between 1987 and 1992 the land owned by nonfarming landlords increased a percentage point (from 36 to 37), continuing a trend toward increased landownership by nonfarmers.

The growing importance of nonfarming landlords for farmland ownership is reflected in part by the use of cash leases. In cash leases, landlords are typically less involved in farming decisions than in share leases. Nationally in 1992, about 65 percent of the renter farmers (Census partowners plus tenants) paid some cash rent for their leased land. Among the States, cash renting was the most popular in Pennsylvania and Delaware where 76-77 percent of farms leasing land paid some cash rent, and least used in Kentucky and New Hampshire, 38 percent.

Most of the leased farmland is rented to part owners, those who own some of the land they farm. In 1900, only 27 percent of the leased land was rented to part owners; by 1992, 70 percent of leased land was rented to part owners.

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About AREI UPDATES

AREI UPDATES is a periodic series which supplements and updates information in *Agricultural Resources and Environmental Indicators (AREI)*, USDA, ERS, AH-705, Dec. 1994. UPDATES report recent data from surveys of farm operators and others knowledgeable about changing agricultural resource use and conditions, with only minimal interpretation or analysis. Please contact the individual listed at the end of the text for additional information about the data in this UPDATE. If you would like to be added to the mailing list or have other questions about AREI UPDATES or AREI, contact Richard Magleby, (202) 219-0436.

Leased farmland as a percent of total land in farms

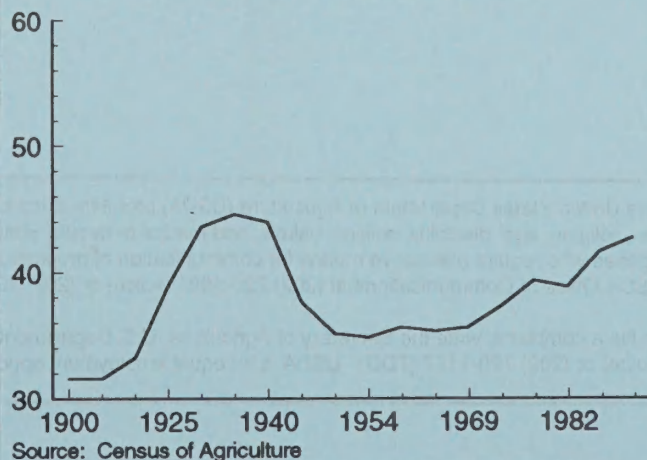


Table 1--Farmland rented by tenants and part owners, 1900-92

Year	Land in farms	Land rented by operators ¹			Rented farmland as a percent of land in farms
		Tenants	Part owners	Total	
-----Million acres-----					Percent
1900	841.8	195.1	71.1 ²	266.2	31.6
1910	878.8	225.5	51.3 ³	277.8	31.6
1920	958.7	265.0 ⁴	54.7 ⁵	319.7	33.3
1925	924.3	264.9	96.3	432.5	39.0
1930	990.1	307.3	125.2	432.5	43.6
1935	1,054.5	336.8	134.3	471.1	44.6
1940	1,165.1	313.2	155.9	469.1	44.0
1945	1,141.6	251.6	178.9	430.5	37.7
1950	1,161.4	212.2	196.2	408.4	35.2
1954	1,158.2	192.6	212.3	404.9	34.9
1959	1,123.0	166.8	234.1	400.9	35.7
1964	1,110.2	144.9	248.1	393.0 ⁶	35.4
1969	1,063.3	137.6	241.8	379.4	35.7
1974	1,017.0	122.3	258.4	380.7	37.4
1978	1,029.7	124.1	285.3	406.3	39.4
1982	986.2	113.6	269.9	383.5	38.9
1987	964.5	126.9	275.4	402.3	41.7
1992	945.5	122.7	282.2	404.9	42.8

¹Columns 3, 4, and 5 refer only to land rented in and operated, so subleased land is not included. Numbers for acres of land rented are comparable in the same year, but definitions change over time. Basic sources are 1969 Census of Agriculture, table 5, p. 14; 1974 Census of Agriculture, table 3, pp. 1-6; 1978 Census of Agriculture, vol. 1, part 51, table 5, pp. 124-127; 1982 Census of Agriculture, table 46, p. 53; and earlier census volumes as noted.

²Sum of "part owners" and "owner/tenant," 1900 Census of Agriculture, table 20, pp. 308.

³Assumes land leased by part owners is the difference between the average size of full-owner and part owner farms. Acreage leased by part owners is this difference times the number of part owners. 1910 Census of Agriculture, chapter 11, table 1, 3, pp. 97-99.

⁴1920 Census of Agriculture, vol. VI, part 1, table 5, p. 19.

⁵Assumes same proportion of owner and part owner as in 1910.

⁶1964 Census of Agriculture, vol. II, chapter 8, p. 757.

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Table 2--Farmland owned, rented, and operated, 1992

Tenure	Full owners	Part owners	Tenants	Landlords	Total
-----Million acres-----					
Own	337.5	255.3	3.1	349.6	945.5
Own, rent out	-41.3	-10.9	-3.1	-349.6	-404.9
Rent in	1.9	285.0	125.2	*	412.1
Rent in, rent out	-1.9	-2.8	-2.5	*	-7.2
Net operated	296.2	526.6	122.7	0.0	945.5

* = Not applicable or no information.

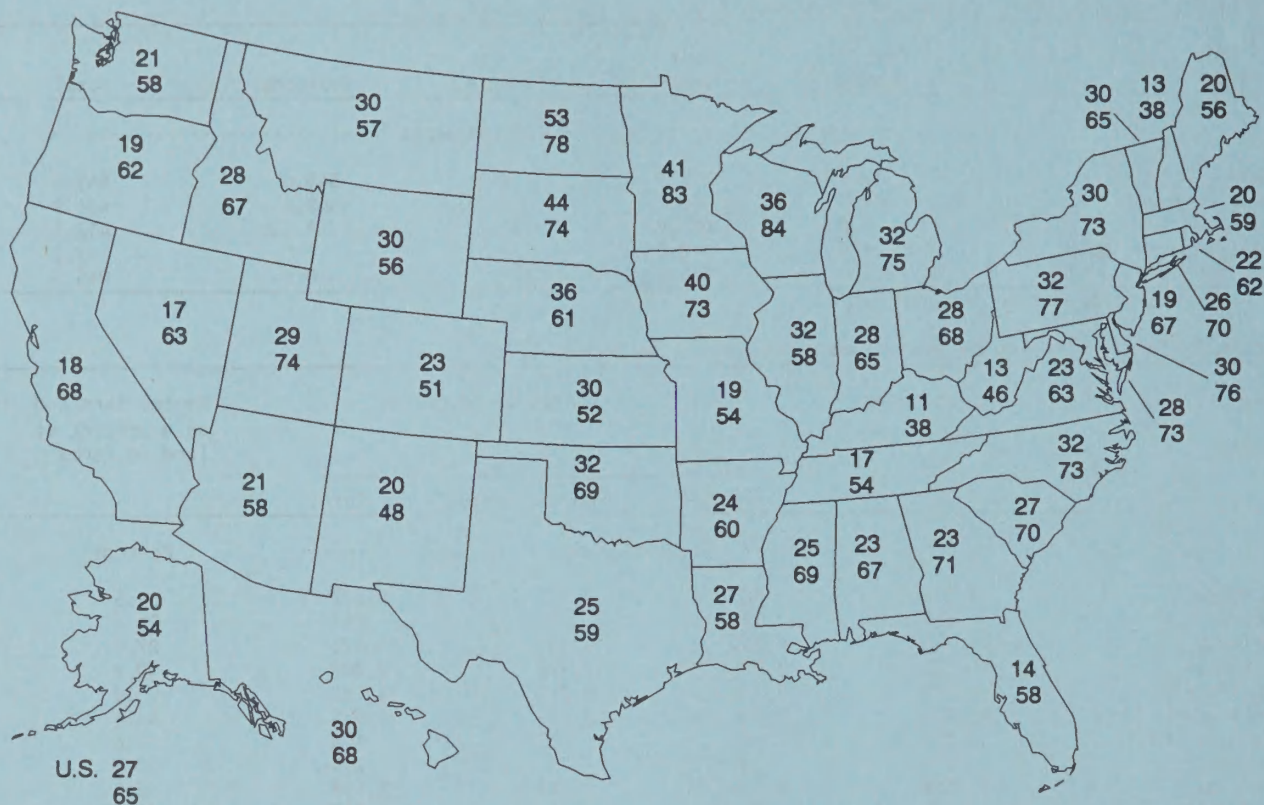
Table 3--Farmland rented by tenants and part owners, by State, 1992

State	Land in farms	Land rented by operators ¹			Rented farmland as a percent of land in farms
		Tenants	Part owners	Total	
-----Thousand acres-----					Percent
Alabama	8,451	567	2,105	2,672	31.6
Alaska	923	326	331	657	71.1
Arizona	35,038	3,214	6,262	9,476	27.0
Arkansas	14,128	3,035	3,972	7,007	49.6
California	28,979	5,769	8,711	14,480	50.0
Colorado	33,983	3,940	10,015	13,955	41.1
Connecticut	359	30	83	113	31.6
Delaware	589	64	231	295	50.1
Florida	10,766	1,308	2,188	3,496	32.5
Georgia	10,026	702	2,345	3,047	30.4
Hawaii	1,589	299	477	776	48.9
Idaho	13,469	1,364	3,582	4,946	36.7
Illinois	27,250	5,295	11,501	16,796	61.6
Indiana	15,619	1,755	6,326	8,081	51.7
Iowa	31,347	5,658	10,908	16,566	52.8
Kansas	46,672	6,451	19,357	25,808	55.3
Kentucky	13,666	919	2,650	3,569	26.1
Louisiana	7,838	2,035	2,457	4,492	57.3
Maine	1,258	34	181	215	17.1
Maryland	2,223	314	669	983	44.2
Massachusetts	526	37	83	120	22.7
Michigan	10,088	638	3,151	3,789	37.6
Minnesota	25,667	2,648	8,148	10,795	42.1
Mississippi	10,188	2,097	2,335	4,432	43.5
Missouri	28,547	2,436	7,807	10,242	35.9
Montana	59,643	6,304	15,427	21,731	36.4
Nebraska	44,393	6,630	13,874	20,505	46.2
Nevada	9,264	384	3,877	4,261	46.0
New Hampshire	386	14	54	68	17.6
New Jersey	848	115	240	355	41.9
New Mexico	46,849	4,577	12,179	16,756	35.8
New York	7,458	401	1,556	1,958	26.2
North Carolina	8,936	798	3,102	3,900	43.6
North Dakota	39,438	4,827	14,755	19,581	49.7
Ohio	14,248	1,614	5,013	6,626	46.5
Oklahoma	32,143	3,471	11,297	14,768	45.9
Oregon	17,609	2,177	4,403	6,580	37.4
Pennsylvania	7,190	650	1,739	2,389	33.2
Rhode Island	50	4	9	13	26.1
South Carolina	4,473	313	1,241	1,554	34.7
South Dakota	44,828	4,461	12,668	17,128	38.2
Tennessee	11,169	696	2,773	3,469	31.1
Texas	130,887	25,322	39,163	64,485	49.3
Utah	9,624	718	2,399	3,117	32.4
Vermont	1,279	82	239	321	25.1
Virginia	8,297	553	2,262	2,815	33.9
Washington	15,726	2,687	4,734	7,422	47.2
West Virginia	3,267	137	615	751	23.0
Wisconsin	15,464	1,138	3,084	4,222	27.3
Wyoming	32,876	3,668	9,581	13,250	40.3
United States	945,532	122,677	282,158	404,836	42.8

¹Includes only land rented in and operated.

Source: 1992 Census of Agriculture.

Cash renting in U.S. agriculture, 1992



Upper Number: % of all farms paying some cash rent

Lower Number: % of leasing farms paying some cash rent

Leasing farms are Census of Agriculture part owners and tenant farms

Source: 1992 Census of Agriculture

AREI UPDATES

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